

State of California

# Employment Training Panel

*Arnold Schwarzenegger, Governor*

July 30, 2010

Chuck Novak, CFO  
cnovak@conquip.com  
Conquip Inc.  
11255 Pyrites Way  
Rancho Cordova, CA 95670

Dear Mr. Novak:

RE:    FINAL MONITORING VISIT REPORT for Conquip Inc. – ET09-0493

Date of the Visit:	7/27/10
Beginning/Ending Time:	10:00 a.m. – 12:00 p.m.
Date of Last Visit:	2/23/10
Visit Location:	11255 Pyrites Way, Rancho Cordova, CA. 95670
Persons in attendance:	Willie Atkinson, ETP Analyst; Chuck Novak, CFO
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	4/1/09 – 3/31/11	Agreement Amount:	\$74,880
Training Start Date:	4/1/09	No. to Retain:	72
Date Training must be Completed:	12/29/10	Range of Hours:	8 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	40

**FINAL REPORT SUMMARY:**

Mr. Novak stated training began on the first date of the Agreement 4/1/09. Mr. Novak reported that all training was completed on 6/9/10, which allows for the 90-day retention period to be completed within the term ending date of the Agreement, 3/31/11.

There were no modifications to the Agreement.

- ***INTERVIEW WITH MR. CHUCK NOVAK, CFO, CONQUIP INC.***

- What barriers, if any, did your company experience in implementing your ETP project?

We did not encounter any specific difficulties in implementing our ETP Project.

- What problems, if any, did your company experience with ETP record keeping?

The recordkeeping requirements were straight forward and easy to complete. The ETP staff and our Subcontractors were very helpful and provided specific guidance to help complete a successful project.

- What assistance could ETP have provided that would improve the process for future Contractors?

I believe the assistance from ETP was at the appropriate level, as we had no difficulty with the program.

- How did your company benefit from the ETP training?

Our small struggling company did not have the financial ability to set up a training program for our employees. The ETP assistance made it possible for us to put together a great training program. Our employees received a tremendous amount of training and the company benefited greatly by upgrading the skills of our employees. This is important to us because now instead of laying off employees when one department is not busy, we can put them to work in a department that requires additional man-hours.

The ETP Online Class/Lab Tracking System currently shows 62 trainees enrolled. Mr. Novak stated that 21 trainees will be dropped, 41 trainees have completed training (57% of planned retentions) and 9 trainees have completed the 90 day retention period (13% of planned retentions).Mr. Novak stated that 32 of the 41 trainees who have completed training, will complete the 90 day retention period no later than 9/7/10. Mr. Novak projects earnings to be \$74,880 (100% of the encumbered total \$74,880). The ETP Class/Lab Tracking System shows that Conquip Inc. has received \$21,060 in progress payments, of which \$0 has been approved as earned. The ETP Online Class/Lab Tracking System also shows 3187 hours for trainees meeting minimum hours (111% of total eligible hours).

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**PROJECT STATUS PROVIDED BY THE CONTRACTOR:**

Trainees Started Training:	61	Completed Retention:	9
Dropped Following Enrollment:	0	In Retention Period:	32
Completed Training:	41		

**ATTENDANCE ROSTERS:**

Mr. Atkinson

reviewed rosters for 3 trainees (7% of trainees who have completed training). The sample of trainees included approximately 30 rosters (12% of total rosters) ranging in training dates from 4/3/09 to 6/9/10. Mr. Atkinson found no discrepancies.

The above findings are based only on the training records reviewed during this visit and only represent a sample of the training records completed to date. Therefore it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes (Reference: Title 22 California Code of Regulations, Section 4442)

**INVOICES:**

Mr. Novak stated to Mr. Atkinson that Conquip Inc. will submit a final invoice in September 2010 after the last trainee completes the 90 day retention period. Mr. Atkinson reminded Mr. Novak that although it is the intention of Conquip Inc. to submit a closeout invoice in September 2010, the closeout invoice should be submitted no later than 30 days after the end term date of the Agreement which is 3/31/11.

**LOCATION OF TRAINING:**

Training has been conducted at Conquip Inc., which is located in Sacramento County.

**AUDIT:**

Conquip Inc. will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

**RECORD RETENTION:**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions regarding this Final Visit Report, please contact Willie Atkinson, Project Analyst, at (916)

327-5586 or [Watkinson@etp.ca.gov](mailto:Watkinson@etp.ca.gov) within ten (10) days from receipt of this report.

Sincerely,

Rosa Hernandez, Manager  
Sacramento Regional Field Office

Willie Atkinson, Project Analyst  
Sacramento Regional Field Office

cc: Chuck Novak, [cnovak@conquipinc.com](mailto:cnovak@conquipinc.com)  
David Guzman, Chief, Program Operations Division  
Kulbir Mayall, Manager, Fiscal and Certification  
Master File  
Project File